

1 PLACE: Brunswick County Courthouse  
2 Bolivia, North Carolina  
3 DATE: Tuesday, November 1, 2022  
4 TIME: 7:00 p.m. - 9:00 p.m.  
5 DOCKET NO: A-41, Sub 22  
6 BEFORE: Commissioner Kimberly W. Duffley, Presiding  
7 Commissioner ToNola D. Brown-Bland  
8 Commissioner Jeffrey A. Hughes  
9 Commissioner Floyd B. McKissick, Jr.  
10 Commissioner Karen M. Kemerait  
11  
12

13 IN THE MATTER OF:

14 Joint Application of

15 Bald Head Island Transportation, Inc.,  
16 and Bald Head Island Ferry Transportation, LLC,  
17 for Approval of Transfer of Common Carrier  
18 Certificate to Bald Head Island Ferry  
19 Transportation, LLC, and Permission to  
20 Pledge Assets  
21

22 Volume 1  
23  
24

NORTH CAROLINA UTILITIES COMMISSION

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3 BALD HEAD ISLAND FERRY TRANSPORTATION, LLC:

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## P R O C E E D I N G S

COMMISSIONER DUFFLEY: Good evening.

Let's come to order and go on the record. I am Commissioner Kimberly W. Duffley, presiding Commissioner for this hearing. With me this evening are Commissioners ToNola D. Brown-Bland, Floyd B. McKissick, Jr., Jeffrey A. Hughes, and Karen M. Kemerait.

I now call for hearing Docket Number A-41, Sub 22, In the Matter of Joint Application of Bald Head Island Transportation, Inc. and Bald Head Island Ferry Transportation, LLC, for Approval of Transfer of Common Carrier Certificate to Bald Head Island Ferry Transportation, LLC, and Permission to Pledge Assets.

On July 14th, 2022, Bald Head Island Transportation, or BHIT, and Bald Head Island Ferry Transportation, LLC, or BHIFT, and collectively with BHIT, the Applicants, a wholly-owned subsidiary of Pelican Legacy Holdings, LLC, managed by SharpVue Capital, LLC, collectively with Pelican, SharpVue, filed an Application pursuant to North Carolina General Statute § 62-111 for approval, one, to transfer BHIT's common carrier certificate to BHIFT

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1 in order to operate the passenger ferry  
2 transportation services to and from Bald Head  
3 Island, and the tram services on the Island; and  
4 two, for BHIFT or SharpVue to pledge assets and  
5 borrow/issue debt pursuant to North Carolina General  
6 Statute § 62-160 and § 62-161 as may be necessary to  
7 finance the transaction.

8 The Application included the following  
9 attachments: A copy of BHIT's financial statements  
10 for March 2022 through May 2022; SharpVue's current  
11 organization chart; BHIT's gross operating revenues  
12 for March 2022 through May 2022; miles traveled in  
13 that time period; the confidential Asset Purchase  
14 Agreement or APA; and a confidential financing  
15 statement. The Applicants also filed direct  
16 testimony with the Application.

17 On August 24th, 2022, the Commission  
18 issued an Order Scheduling Hearing, Establishing  
19 Procedural Deadlines, and Requiring Public Notice.  
20 In the Scheduling Order, the Commission scheduled a  
21 hearing for the purpose of taking public witness  
22 testimony for tonight, here at the Brunswick County  
23 Courthouse in Bolivia, North Carolina, and scheduled  
24 the expert witness hearing on Tuesday, January 17th,



1 2023, in the Commission hearing room in Raleigh,  
2 North Carolina.

3 The Commission granted the Petitions to  
4 Intervene filed by Bald Head Association, The  
5 Village of Bald Head Island, and Bald Head Island  
6 Club.

7 On October 6, 2022, the Applicant's filed  
8 with the Commission its Affidavits of Publication  
9 and its certification of posting.

10 That brings us to tonight.

11 Pursuant to North Carolina General Statute  
12 138A-15E, I remind members of the Commission of our  
13 duty to avoid conflicts of interest, and inquire at  
14 this time as to whether any Commissioner has a known  
15 conflict of interest with respect to this docket?

16 (No response)

17 Let the record reflect that I have no such  
18 conflict and that my fellow Commissioners have not  
19 identified any such conflict.

20 I now call upon counsel for the parties to  
21 announce their appearance for the record, beginning  
22 with the Applicant.

23 MR. FERRELL: David Ferrell with the Law  
24 Firm of Nexsen Pruet here representing the

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1 Applicant, SharpVue Capital.

2 COMMISSIONER DUFFLEY: Thank you,  
3 Mr. Ferrell.

4 MR. STYERS: Gray Styers with the Law Firm  
5 of Fox Rothschild representing the Applicant, Bald  
6 Head Island Transportation, Inc.

7 COMMISSIONER DUFFLEY: Thank you,  
8 Mr. Styers.

9 MR. TRATHEN: Good evening. I'm Marcus  
10 Trathen of the Law Firm of Brooks Pierce on behalf  
11 of Intervenor, Village of Bald Head Island.

12 COMMISSIONER DUFFLEY: Good evening,  
13 Mr. Trathen.

14 MR. HIGGINS: Commissioner Duffley and  
15 Commissioners, Dan Higgins with Burns, Day &  
16 Presnell for the Bald Head Island Club.

17 COMMISSIONER DUFFLEY: Good evening,  
18 Mr. Higgins.

19 MR. CREECH: Commissioners, William Creech  
20 with the Public Staff. Krishna Rajeev is also here,  
21 the head of our Transportation Division.

22 COMMISSIONER DUFFLEY: Good evening,  
23 Mr. Creech.

24 Before we get started, are there any

1 preliminary matters that need to addressed?

2 Does anyone wish to make an opening  
3 statement?

4 MR. TRATHEN: Commissioner Duffley, if I  
5 could just say that the Village did hear from some  
6 folks yesterday with some concerns about the ferry  
7 schedule. I think that has been alleviated.  
8 Apparently, the ferry changes its schedule today,  
9 and so the last ferry was going to be nine o'clock.  
10 And I know we had had some calls from some folks  
11 concerned about coming over here and getting left  
12 and not being able to get home. But my  
13 understanding is that Limited has scheduled a later  
14 ferry this evening which will help out with the  
15 situation. I don't know if it discouraged some  
16 folks from being here because of that issue. If  
17 there were anybody like that then we'll certainly  
18 work with them to file their views as a consumer  
19 statement in the record. But that's just one of the  
20 vagaries of dealing with an island situation. I  
21 wanted to apprise the situation of that.

22 COMMISSIONER DUFFLEY: Okay. Thank you  
23 for letting the Commission know that.

24 MR. STYERS: Just so the record is clear,

1 the announcement was made yesterday via  
2 Mr. Trathen's client throughout the Island, upon  
3 notification to the Village that there would be an  
4 additional run tonight at ten o'clock. We were glad  
5 to accommodate that.

6 COMMISSIONER DUFFLEY: Thank you.

7 Before we begin tonight, I would like to  
8 say a few words regarding the process.

9 First, I would like to say we appreciate  
10 all of you coming out tonight and we, the  
11 Commission, all of the Commissioners, we do listen  
12 and hear everything that you are saying. If you do  
13 not receive any questions from the Commissioners,  
14 it's not because we are not interested, it's just  
15 that we don't have any specific clarifying questions  
16 that we have. But we definitely want to hear from  
17 you and we thank you for being here tonight.

18 In conducting this hearing, the Commission  
19 functions as a judicial capacity as we're required  
20 to do so by North Carolina Law. Because the  
21 Commission functions as a court, we cannot respond  
22 to your questions; instead, we are here to receive  
23 evidence from you-all in the form of your testimony.

24 The Public Staff which represents you, the

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1 Using and Consuming Public, is made a party to this  
2 proceeding pursuant to North Carolina General  
3 Statute § 62-15(d), and they are here to answer your  
4 questions after this hearing tonight as well.

5 In order to facilitate a full and fair  
6 opportunity for all speakers to participate, we will  
7 use the following:

8 One, witnesses who wish to testify must  
9 sign up with the Public Staff. The Public Staff  
10 will call each witness in the order listed on the  
11 roster. In order to allow each person an equal  
12 amount of time, there will be a limit of three  
13 minutes for each witness to speak; therefore, we'd  
14 appreciate if witnesses would try to avoid any  
15 cumulative, repetitive, or redundant testimony.

16 To comply with the Rules of Procedure and  
17 Evidence, I must have each witness swear or affirm  
18 the truth of his or her testimony prior to providing  
19 that testimony. When you hear your name called,  
20 please proceed to the stand and I will deliver the  
21 oath. If you would prefer to affirm your testimony,  
22 please let me know when you come to the stand.

23 After your testimony has been sworn or  
24 affirmed, I will ask you to please state your name

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1 and address for the evidentiary record, and then you  
2 may provide your testimony.

3 Please refrain from offering opinions on  
4 matters that are not related to the Application  
5 which is before the Commission in this docket.  
6 Also, please be sure to address your testimony to  
7 the Commission and not members of the audience. In  
8 lieu of oral testimony, you may submit written  
9 testimony as long as you swear to its accuracy.  
10 Written statements must be submitted by a person  
11 under oath during this hearing.

12 Counsel for any party may ask questions of  
13 the witnesses tonight. In addition, the Commission  
14 will have the opportunity to ask questions. This  
15 means if you provide testimony you might be asked  
16 questions by the attorneys or by the Commissioners.

17 Testimony is being recorded by a court  
18 reporter; therefore, to ensure accuracy of the  
19 record, we ask that you speak clearly and not engage  
20 in any unconventional modes of testimony.  
21 Additionally, please remain quiet when you're not  
22 testifying so the court reporter is able to hear the  
23 testifying witness.

24 As a final reminder, the Commission and

1 attorneys for the parties are not allowed to respond  
2 to your questions during the hearing. However, both  
3 the Public Staff and Bald Head Island  
4 Transportation, Inc., and Bald Head Island Ferry  
5 Transportation, LLC, have representatives here who  
6 may be available after the hearing to potentially  
7 answer questions.

8 And you have stated no opening statements,  
9 so Public Staff, please call your first witness.

10 MR. CREECH: Thank you, presiding  
11 Commissioner Duffley. Again, I'm William Creech  
12 with the Public Staff and we have the listing of  
13 witnesses here and then Krishna Rajeev is in the  
14 back and he has a listing that's ongoing. Two  
15 individuals have taken their names off this list,  
16 but there are eight individuals now, and the first  
17 of whom I'd call is John Fisher.

18 JOHN FISHER;

19 having been duly sworn,

20 testified as follows:

21 COMMISSIONER DUFFLEY: If you could please  
22 state your name and address for the record.

23 THE WITNESS: My name is John Fisher and  
24 I'm a retired executive from the United Parcel

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1 Service Corporate office and the UPS Airline --

2 MR. STYERS: State your address for the  
3 record as well, Mr. Fisher.

4 THE WITNESS: I will. My home address is  
5 506 Southeast Beach Drive on Bald Head Island where  
6 I've been a permanent resident for the past 17  
7 years.

8 DIRECT STATEMENT BY THE WITNESS:

9 I'm a retired executive from the United  
10 Parcel Service Corporate office and the UPS Airline  
11 after serving 36 years with the two entities.

12 I earned my Bachelor's degree from  
13 UNC-Charlotte along with numerous other additional  
14 courses and degrees in business, finance, management  
15 and leadership.

16 My past work experience included expanding  
17 UPS operations and logistics worldwide, negotiating  
18 for UPS their master contracts with the  
19 International Teamsters Union, covering over 350,000  
20 employees, as well as the IPA Independent Pilot  
21 Association, covering over 3300 professional airline  
22 pilots. I've spent a lot of time working with  
23 regulatory agencies and the Utility Commission  
24 changing on rates and pricing along with scheduling

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1 and quality control to better serve the public's  
2 need in my working days with the United Parcel  
3 Service.

4 My past included working with the design  
5 and expansion of numerous UPS operations facilities  
6 and cargo terminals over the years. I lead a team  
7 of writers, IT programmers, industrial engineers,  
8 operators and employees developing numerous  
9 supervisor, manager, and division manager leadership  
10 courses. My last eight years at UPS included  
11 managing the UPS Airline Corporate Management  
12 Succession Plan.

13 Since retiring and moving to Bald Head  
14 Island, I have served as Mayor Pro Tem for four  
15 years; as President of the Bald Head Association; on  
16 the Bald Head Island Conservancy Board; founded and  
17 ran the Bald Head Island Warrior Weekend Program for  
18 12 years; served on the BHI Chapel Board; have  
19 volunteered with the Public Safety Department over  
20 the past 15 years with numerous certifications,  
21 including Incident Command, et cetera; and numerous  
22 other volunteer positions of leadership. I have  
23 served the past six years with the Cape Fear Region  
24 Council for the Boy Scouts of America, and was

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1 honored by Governor Pat McCrory when presented the  
2 prestigious Order of the Long Leaf Pine awarded a  
3 few years ago being recognized as an ambassador for  
4 the State of North Carolina.

5 I was asked to consult with the design and  
6 layout of the Deep Point terminal, specifically,  
7 lending my knowledge and experience of conveyors and  
8 operational logistics for moving packages and bulk  
9 items through the system several years ago working  
10 for improved capacities.

11 So, the matter at hand, the Bald Head  
12 Island Transport system -- Transportation system,  
13 under Mr. Paul's leadership, has run a ferry and  
14 tram service very well. The system has been  
15 dependable; reliable; responsive to the emergency  
16 needs, situations 24/7; accommodating to its  
17 customers - scheduling, pricing, and quality  
18 control.

19 With the death of George Mitchell, we the  
20 public understand the reality of settling an estate  
21 and selling off assets. Someone else is going to  
22 own this and it has to be given the opportunity to  
23 move forward. The Mitchell family worked diligently  
24 to determine a succession plan. Legislation was

1 introduced that led to the formation of the Bald  
2 Head Island Transportation Authority. I was  
3 appointed to the initial Authority and worked  
4 diligently for three years to fill our charge of  
5 determining a fair market value and price for the  
6 assets to purchase the BHI Transportation operations  
7 at or below that price.

8 At the 11th hour after three years of  
9 evaluating the transportation system in great depth,  
10 getting numerous appraisals, evaluations, and  
11 reports and analyses on all of the assets. The  
12 Village of Bald Head Island intervened, and the  
13 Local Government Commission was convinced to not  
14 hear the case to approve the sale to the Authority.

15 Fast forward. Let's wrap this.

16 Mr. Paul was charged with finding another  
17 suitable buyer --

18 COMMISSIONER DUFFLEY: Mr. Fisher, your  
19 time --

20 THE WITNESS: Okay. I'll --

21 COMMISSIONER DUFFLEY: I've been lenient  
22 but if you --

23 THE WITNESS: I'll close it out.

24 COMMISSIONER DUFFLEY: -- will summarize.

1 And we can take that into evidence.

2 THE WITNESS: Okay. I will leave this in  
3 the evidence.

4 We talked about SharpVue. SharpVue came  
5 into the picture as the best suiter at this point,  
6 based out of Raleigh. This is a local North  
7 Carolina organization that is very responsible and  
8 understands the moves.

9 I'll wrap up with we the public like the  
10 fact that SharpVue's management is in North Carolina  
11 and knows the area and the Island. We do have  
12 concerns about transfer of ownership if it isn't  
13 approved for SharpVue.

14 The Mitchell's will still own the estate.  
15 They don't need to own it and don't want to own it,  
16 and they intend to sell it.

17 SharpVue wants to own it, is willing to  
18 invest as needed, and also will provide financial,  
19 and continued operational stability for the  
20 operations.

21 And finally, if you look at the testimony  
22 that Mr. Roberts presented to the North Carolina  
23 Utilities Commission, he stated, "SharpVue has  
24 reached an agreement with the operations current

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1 management to continue in their current roles and  
2 duties". And I just want to make that point as I  
3 close this out. SharpVue is also committed to hire  
4 almost all the current employees. In the process of  
5 negotiating the transaction and conducting their due  
6 diligence --

7 COMMISSIONER DUFFLEY: Okay, Mr. Fisher,  
8 I've let you go on way past your time.

9 THE WITNESS: All right.

10 COMMISSIONER DUFFLEY: -- but why don't  
11 we -- Mr. Creech, if you could come --

12 MR. CREECH: We will. Mr. Fisher, we'll  
13 take your statement into the record.

14 COMMISSIONER DUFFLEY: And we're going to  
15 mark this as Fisher Exhibit 1.

16 (WHEREUPON, Fisher Exhibit 1  
17 is marked for  
18 identification.)

19 COMMISSIONER DUFFLEY: And Mr. Fisher,  
20 hold on just a second, we need to see if we have any  
21 questions for you from any of the attorneys.

22 MR. CREECH: Mr. Fisher, I will say that  
23 this is a five-page document which begins "Public  
24 hearing for Bald Head Island Limited intended sale

1 of BHI Transportation system assets from the George  
2 Mitchell Estate" and will be Fisher Exhibit 1.

3 THE WITNESS: Okay.

4 COMMISSIONER DUFFLEY: And are there any  
5 Commissioner questions? Okay. Thank you so much  
6 for your testimony. Oh!

7 COMMISSIONER BROWN-BLAND: Just one.

8 EXAMINATION BY COMMISSIONER BROWN-BLAND:

9 Q Am I correct to assume that that you are  
10 speaking in favor of the transfer as long as  
11 its SharpVue is the acquirer?

12 A I am speaking in favor of allowing SharpVue to  
13 continue this transfer of assets to SharpVue  
14 because of their knowledge of the system, their  
15 willingness to own it, run it, take it forward,  
16 and to work with the other entities including  
17 the Village, so yes.

18 COMMISSIONER BROWN-BLAND: Thank you.

19 COMMISSIONER DUFFLEY: Thank you  
20 Mr. Fisher.

21 THE WITNESS: Thank you.

22 MR. CREECH: Presiding Commissioner  
23 Duffley, we would like to next call Elizabeth  
24 Stephen. Elizabeth Stephen.

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1 ELIZABETH STEPHEN;  
2 having been duly sworn,  
3 testified as follows:

4 COMMISSIONER DUFFLEY: If you could please  
5 state your name and address.

6 THE WITNESS: My name is Elizabeth Irby  
7 Stephen. I live at 25 Sable Palm Trail, Bald Head  
8 Island, North Carolina 28461.

9 Thank you for the opportunity to speak  
10 tonight. I've been a homeowner on Bald Head for 28  
11 years and a full-time resident for over six years.  
12 I have served as an elected official on the Village  
13 Council. I am here tonight to support the  
14 certificate transfer to SharpVue. I have known the  
15 owner of SharpVue's family for over 30 years and I  
16 can state definitively that Lee Roberts is an  
17 honorable man with high integrity. Like many Island  
18 residents, I was absolutely thrilled when I heard  
19 that SharpVue was buying the transportation system  
20 so that we could move on past what has been an  
21 unnecessary two-year delay.

22 SharpVue is unquestionably the best option  
23 to buy the system for the following reasons:

24 One, SharpVue has assembled a group, small

1 group of investors all of whom are from North  
2 Carolina;

3 Two, the investors have a long-term  
4 investment horizon;

5 Three, SharpVue has all of the financing  
6 lined up for the purchase price and a firm  
7 commitment from the investor group to contribute  
8 additional funding as needed for capital  
9 expenditures which we know will be substantial;

10 Fourth, SharpVue is committed to retaining  
11 all staff and key management which will provide a  
12 smooth transfer and continuity of operation;

13 Fifth, SharpVue has agreed with the Public  
14 Staff of the NCUC to oversight and regulation  
15 related to continued availability of parking, ticket  
16 price increases tied to inflation with no increase  
17 in the first year, and maintaining the existing  
18 annual 523,000 of imputed revenue to the regulated  
19 ferry operations for the purposes of ferry ticket  
20 rate setting;

21 Sixth, and most importantly, SharpVue has  
22 indicated a desire to complete the transaction as  
23 soon as possible.

24 The transportation system is hanging on by



1 a thread and all parties involved need the sale  
2 resolved as soon as possible.

3 Thank you again for allowing me to speak  
4 this evening and I look forward to a positive and  
5 timely resolution with a certificate transfer to  
6 SharpVue.

7 COMMISSIONER DUFFLEY: Thank you. Are  
8 there any questions?

9 MR. HIGGINS: Yes, ma'am. I have a  
10 question.

11 EXAMINATION BY MR. HIGGINS:

12 Q Ms. Stephen, how did you secure access to the  
13 information supporting the six points that you  
14 just made in support of the transfer?

15 A I believe it's public knowledge. I have been  
16 in touch with other Island residents who have  
17 spoken, I believe, with Mr. Paul.

18 MR. HIGGINS: Okay. Thank you.

19 COMMISSIONER DUFFLEY: Any other attorney  
20 questions?

21 (No response)

22 Any questions from the Commissioners?

23 (No response)

24 THE WITNESS: Thank you very much.

1                   COMMISSIONER DUFFLEY: Thank you,  
2                   Ms. Stephen.

3                   MR. CREECH: Commissioner Duffley, we'd  
4                   like to call Joe Brawner, B-R-A-W-N-E-R.

5                   JOE BRAWNER;  
6                   having been duly sworn,  
7                   testified as follows:

8                   COMMISSIONER DUFFLEY: If you could state  
9                   your name and address for the record.

10                  THE WITNESS: Stand or be seated?

11                  COMMISSIONER DUFFLEY: You can --

12                  THE WITNESS: My name is Joe Brawner. I'm  
13                  a 25-or-so-year permanent resident of Bald Head  
14                  Island. I reside as 319 Steed Bonnett on the Island  
15                  of course. And really the comments that I'm going  
16                  to have, I think, are more questions that are at  
17                  this point in my mind unanswered than they are  
18                  statements that are in support or against what's  
19                  going on.

20                  DIRECT STATEMENT BY THE WITNESS:

21                  Let's first start with Bald Head Island  
22                  Transportation, of which this is a key part and the  
23                  only regulated part, and also one of the three legs  
24                  on a stool with two other parts to the

1 transportation operations of BHI Limited.

2 Most of us are well aware that a  
3 three-legged stool is only as good as the solidarity  
4 and the balance and the operational skills of the  
5 three legs that support the platform.

6 So it's a little bit strange to me to be  
7 talking only of the regulated part, but I understand  
8 why we are where we are.

9 This three-legged stool, that supports  
10 life totally, human life on Bald Head Island. If  
11 any one of the legs is not there Bald Head Island  
12 property values go to zero. The effective oversight  
13 and coordination of the three legs of the stool is  
14 essential. We know that SharpVue is purchasing all  
15 three along with the registered portion but we don't  
16 know how they plan to operate and coordinate and  
17 share the wealth from those three operations.

18 Unfortunately, all I have to show for my  
19 lengthy tenure on Bald Head Island is a healthy  
20 respect for Bald Head Island Limited and the job  
21 that they have done in growing a ferry operation and  
22 a parking operation over nearly 40 years and really  
23 have not hit too many problems, in my opinion, until  
24 Covid came, but operations are not what they ought

1 to be at the moment in my humble opinion. I think  
2 that's shared by a number of people according to a  
3 recent poll.

4 The real question is how does SharpVue  
5 plan to achieve the former operational standards and  
6 how will it remove the ferry system badly and in  
7 need of renewal? We understand, most of us  
8 understand SharpVue, delightful folks, absolutely  
9 delighted that they are a part of the North Carolina  
10 community, but what operational skills do they have.  
11 Who are they going to depend on to make certain that  
12 things are coordinated, operated reliability, et  
13 cetera, et cetera? The performance of the ferry  
14 system is poorer today from an on-time basis and a  
15 maintenance basis than anytime in my recent memory.

16 So there are lots of questions that I  
17 don't believe there has been the opportunity to ask  
18 SharpVue how they plan on handling this, and the  
19 communications has been relatively limited. I hope  
20 that this is not a pig-in-the-poke sale where we  
21 find out later that the State or somebody has to  
22 step in and make sure the ferry runs. Thank you.

23 COMMISSIONER DUFFLEY: Thank you. And if  
24 you'll just hold on to make sure if there are any

1 questions.

2 MR. TRATHEN: I have one question.

3 EXAMINATION BY MR. TRATHEN:

4 Q Mr. Brawner, you referred to three legs on a  
5 stool. Could you just clarify what you're  
6 referring to with the three legs?

7 A Well, yes, sir. In my 20 plus years of being a  
8 resident on Bald Head, I'm a frequent rider of  
9 the ferry. But I wouldn't have been a resident  
10 if I couldn't have gotten my goods over there  
11 on the barge or if I couldn't have parked my  
12 car and gotten to the ferry to ride to Bald  
13 Head. Any one of those three, if it's priced  
14 out of sight or fails to operate, in my  
15 opinion, the whole Gordian Knot starts to  
16 unravel.

17 MR. TRATHEN: That's all I have. Thank  
18 you.

19 COMMISSIONER DUFFLEY: Mr. Creech?

20 EXAMINATION BY MR. CREECH:

21 Q Mr. Brawner, I appreciate your testimony  
22 tonight. With respect to the three-legged  
23 stool - the barge, the ferry, the parking - do  
24 you have any thoughts on the parking, the

1 parking operations going forward?

2 A The one thought that -- everybody on Bald Head  
3 would comment on is the rapid increase in  
4 pricing over the last three years. I believe  
5 I'm correct in saying and maybe Mr. Paul could  
6 correct if I'm wrong but it was before his  
7 time, but I believe that contractors when I  
8 came to the Island were given free  
9 transportation on the ferry to and from Bald  
10 Head. Now, they've had two price increases in  
11 the last three years or nearly -- in about  
12 three years. And surprise, surprise, the  
13 citizens of Bald Head Island are paying  
14 indirectly or directly, I would guess, a huge,  
15 huge being greater than 95 percent of the ferry  
16 revenue, the ferry fees, and slightly less on  
17 parking.

18 MR. CREECH: Thank you.

19 COMMISSIONER DUFFLEY: Any Commissioner  
20 questions? Commissioner McKissick.

21 EXAMINATION BY COMMISSIONER McKISSICK:

22 Q Just one question, sir. I take it, based upon  
23 your testimony, that you're opposed to the  
24 proposed transaction?

1 A No. I'm not opposed to the transaction because  
2 I think anybody has the right to sell their  
3 business and anybody has a right to become a  
4 buyer for a business, at least that's what I  
5 was taught years ago in school. It may be a  
6 bit more complicated now. But I think that  
7 we -- because this particular business and the  
8 three businesses that are part of the whole  
9 need to be overseen or a lot of -- potentially  
10 a lot of North Carolina tax revenue is going to  
11 go down the tubes if people can't get back and  
12 forth economically to sustain and live in and  
13 enjoy their homes.

14 Q One quick follow up, if I may. So I take it  
15 that if SharpVue were to acquire the assets,  
16 when you refer to being subject to supervision,  
17 are you referring to subject to supervision of  
18 the Utilities Commission?

19 A Yes, sir.

20 Q Okay. I just wanted to clarify your testimony.

21 COMMISSIONER McKISSICK: Thank you.

22 COMMISSIONER DUFFLEY: Mr. Brawner, I  
23 actually have a question as well.

24 EXAMINATION BY COMMISSIONER DUFFLEY:

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1 Q So when you mentioned free transportation to  
2 the workers, are you talking about the ferry  
3 tickets, the parking, or both?

4 A The parking was free.

5 Q The parking was free. Okay.

6 A And I don't know about the ferry tickets. Good  
7 question. Somebody should look into that.

8 Q But that's your testimony when you say  
9 transportation, meaning the parking.

10 A Parking, I'm certain.

11 Q And then you stated operations are not where  
12 they should at the present time --

13 A In my opinion.

14 Q In your opinion. And you're talking about the  
15 ferry operation? The parking?

16 A Yes.

17 Q The ferry operation. And then what are -- what  
18 three concerns or two concerns that you have?

19 A Well, the boats are late. And the morale. And  
20 most of the people that work on the boats, I  
21 speak frequently or every time I'm on the boat  
22 with them, and their morale is not good. It is  
23 normally -- normally -- I think years ago they  
24 were told if you're visiting or coming to Bald



1 Head Island, you folks in the ferry operations  
2 are the first ones that anybody sees, and they  
3 were -- they're top notch human beings and they  
4 are trained -- they were trained to smile, to  
5 welcome you. I think there's been -- I think  
6 records would show that there's been more  
7 turnover lately and that people are a bit more  
8 disgruntled. Probably associated with the fact  
9 that they've been looking for a new owner for a  
10 number of years.

11 COMMISSIONER DUFFLEY: Okay. Thank you,  
12 Mr. Brawner.

13 THE WITNESS: Thank you.

14 MR. STYERS: I have a question on  
15 Commissioner Duffley's question.

16 COMMISSIONER DUFFLEY: Yes, go ahead.

17 Please come back. We have one more  
18 question for you.

19 MR. STYERS: Thank you.

20 EXAMINATION BY MR. STYERS:

21 Q So, you acknowledged that one concern that for  
22 the employees and probably everyone has is the  
23 uncertainty about the future ownership of the  
24 ferry. That could be reflected in morale on

1 the Island is this uncertainty. You would  
2 agree with that, wouldn't you?

3 A What specifically I was addressing is I can't  
4 speak to the uncertainty of everybody. But  
5 what they do know is that their company that  
6 they spend X hours a week doing a great job is  
7 going to be sold. Well, let's get on with it.

8 Q And so the sooner that sale occurs that  
9 uncertainty comes to an end and people will  
10 actually --

11 A That would be their view and I think that's  
12 what I see in their comments.

13 Q So timely resolution is important in this  
14 docket, you would agree?

15 A No more important than it was a year ago.

16 MR. STYERS: No further questions.

17 COMMISSIONER DUFFLEY: Now you're excused,  
18 Mr. Brawner. Thank you for your testimony tonight.

19 Mr. Creech, call your next witness.

20 MR. CREECH: Kurt Haglund. H-A-G-L-U-N-D.

21 MR. HAGLUND: My handwriting is very  
22 terrible. Sorry about that.

23 KURT HAGLUND;

24 having been duly sworn,

1 testified as follows:

2 COMMISSIONER DUFFLEY: If you could state  
3 your name and address.

4 DIRECT STATEMENT BY THE WITNESS:

5 My name is Kurt Haglund and I'm at 423  
6 South Bald Head Wynn.

7 So I come here, many other speakers have  
8 been official capacity in the past or involved with  
9 the government in Bald Head Island or one way or  
10 another, I'm simply a concerned citizen.

11 So my history on the Island, we started  
12 coming as a family 20 years ago. We bought a house  
13 with 12 years ago. The children loved it there so  
14 we figured that would be a great place to keep the  
15 family together. And then we sold our house in D.C.  
16 about two years ago and moved down to Bald Head to  
17 be full-time.

18 I'm still working full-time. I run a  
19 business from Bald Head Island that's anywhere other  
20 than Bald Head Island, so it's nice to be remote and  
21 working and enjoying great, great, great community.  
22 That's why we decided to move there, and honestly,  
23 divisions in D.C. is a great reason to leave that  
24 community as well.

1           So, I have a couple of observations. One,  
2 I'm not really qualified other than I have two  
3 undergraduate architecture degrees, a Masters in  
4 Architecture from the University of Pennsylvania,  
5 and a Masters of Business from Harvard. So I spent  
6 35 years doing a bunch of stuff and at this point at  
7 my age I'm pretty observant about different things.

8           So my concerns more than anything else are  
9 the financial stability of the what I consider  
10 critical infrastructure for the Island. And  
11 recently with Ian coming through and devastating  
12 Florida and seeing Jackson, Mississippi without  
13 water, you know, out of the different things the  
14 Island needs, water, sewer, electricity, and  
15 transportation. You've got to be able to get there.  
16 The only way to get off the Island if transportation  
17 is not working is take a bike up East Beach, then  
18 try and get over to Wilmington. That's pretty  
19 isolated. So transportation is super critical to  
20 us.

21           My concerns are much more about capital  
22 structure and investment and making sure that we  
23 have the right capital investment capacity, the  
24 right debt service capacity, the right debt rates to

1 keep prices reasonable. We know they're going to go  
2 up but they -- at some point they always do -- but  
3 they can't price every one out the Island or the  
4 Island dies. And the ability for the entity to own  
5 it, SharpVue or whomever else, to have the debt  
6 capacity, to have the capital investment, to have  
7 money set aside for things like Jackson, Mississippi  
8 or the bridge going to Sanibel, any of those kinds  
9 of major emergencies will happen and they will  
10 cripple our island.

11 So my concerns are not necessarily well  
12 thought through other than I know what it takes to  
13 live on the Island and to have the Island be  
14 successful, and I'm just worried that making sure  
15 those concerns are addressed when the Commission  
16 rules on it.

17 COMMISSIONER DUFFLEY: Thank you. Let's  
18 see if there's any questions. Attorney questions?

19 (No response)

20 Commissioner questions? Commissioner  
21 Kemerait.

22 EXAMINATION BY COMMISSIONER KEMERAIT:

23 Q Mr. Haglund, I didn't hear you state whether  
24 you had an opinion about this transfer. Are

1           you just expressing your concern about the  
2           infrastructure and stability of it? Do you  
3           also have an opinion or is it just simply --  
4    A       I do. Thank you for your -- I just interrupted  
5           you so that's probably inappropriate. But I do  
6           have an opinion and a concern. My opinion is,  
7           I know a decent amount about private equity and  
8           the private equity need for premium returns to  
9           their investors, and I'm concerned that the  
10          main interest in the Island is getting people  
11          and commerce back and forth and not necessarily  
12          in fulfilling private equities premium returns.  
13          So my preference is to -- and I'm not opposed  
14          to SharpVue if they can get good, cheap access  
15          to debt and make sure there are absolutely no  
16          bumps in the road, because my opinion is if  
17          something goes wrong we are going to be back  
18          here again trying to figure out how to deal  
19          with challenges and I don't think that's a good  
20          use of anyone's sometime.

21                   MS. KEMERAIT: Thank you.

22                   COMMISSIONER DUFFLEY: Commissioner  
23    McKissick.

24    EXAMINATION BY COMMISSIONER McKISSICK:

1 Q Let me just follow up on that. So, assuming  
2 that what SharpVue is interested in is a  
3 reasonable rate of return on investment and  
4 they are adequately capitalized, you would not  
5 have objections to this proposed acquisition?

6 A I don't think I would object to -- I don't  
7 really care which entity acquires it. I do  
8 care but that the entity really understands and  
9 cares about the challenges associated with it.  
10 There's dredging that has to be done. There's  
11 boats that need to be fixed. There's basic  
12 maintenance on lots of big buildings that has  
13 to be done.

14 I waited a year to get into the  
15 parking lot last year. It cost me about three  
16 thousand dollars or so to be able to park at  
17 \$10 to \$11 a day. I got into the parking this  
18 year under contract. Those kinds of things are  
19 just going to kill the economy. I don't care  
20 about a reasonable return but I want somebody  
21 to actually have island residents and workers  
22 as their first priority.

23 Q So if they were continuing to have the same  
24 team that exists today, in terms of employees,

1 would that address the concern that you have?

2 A Yes and no. Once again, these are my opinions.  
3 When we were coming -- the Mitchell family who  
4 was the developer of the Island so they had a  
5 vested interest in making sure everything  
6 worked really well -- boats were on time, you  
7 know, they were well-maintained. Earlier this  
8 year one of the boats had major problems. One  
9 of the guys who works at the Club today said,  
10 "it's funny how he's passing by people waiting  
11 for trams that are like late or not picking  
12 them up anymore". It's observationally third  
13 hand. Those kinds of things I've seen a  
14 falloff in the quality of the management of --  
15 management and reinvestment in the  
16 transportation system and that worries me,  
17 because the current team that's involved I  
18 don't think is taking care of it as well as  
19 they did several years ago.

20 Q So the continuation of the current team to  
21 provide continuity would not address the  
22 concerns you just articulated?

23 A Correct. I think we need an injection of new  
24 energy and new money. And even, you know, I



1       called to make reservations, they take it down  
2       online or I do it on my phone, and then they  
3       have a piece of paper there where they write  
4       down where I'm supposed to go when I get in to  
5       catch the tram after the ferry, so the major  
6       investments in technology and systems and  
7       efficiency I think need to be made in order to  
8       show true improvements.

9       Q     Now, in response to my first question you  
10       indicated that you had spent \$3,000 on parking  
11       until you could get a space. Could you  
12       elaborate on that further? What did you do  
13       that you spent \$3,000 on?

14       A     So I can't remember exactly the timeframe. But  
15       sometime in -- this was 2021 -- sometime in  
16       February, I realized that I would be down there  
17       more than, you know, not and so I asked the  
18       parking office for a parking pass and they said  
19       there's a waitlist. So I ended up parking in  
20       the general lot at \$10 to \$11 a day, pretty  
21       much every day last year.

22               COMMISSIONER McKISSICK: Thank you.

23               THE WITNESS: Thank you.

24               COMMISSIONER DUFFLEY: Any other

1 Commissioner questions?

2 (No response)

3 You may be used excused. Thank you for  
4 your testimony tonight.

5 THE WITNESS: Thank you.

6 MR. CREECH: Next, we have Claude Pope,  
7 P-O-P-E.

8 Commissioner Duffley, Mr. Pope has  
9 indicated that Anne Gardner may intend to yield some  
10 time to Mr. Pope. Is that correct, Anne?

11 MS. GARDNER: That's correct.

12 MR. CREECH: And you're Ms. Gardner?

13 MS. GARDNER: That's correct.

14 MR. CREECH: If that's allowed --

15 MS. GARDNER: I'll seed my time.

16 COMMISSIONER DUFFLEY: It is, so we'll  
17 change the time to six minutes.

18 What's was your last name?

19 MR. POPE: Pope, P-O-P-E.

20 CLAUDE POPE;

21 having been duly sworn,

22 testified as follows:

23 COMMISSIONER DUFFLEY: Please state your  
24 name and address for the record.

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1 THE WITNESS: Thank you. My name is  
2 Claude Pope and I reside as 21 Laughing Gull, Bald  
3 Head Island.

4 DIRECT STATEMENT BY THE WITNESS:

5 Members of the Commission, I'm the owner  
6 and the operator of Maritime Market, the Island's  
7 only full-time grocery store. We acquired and the  
8 market from Bald Head Limited in 2011 and we are now  
9 in our 12th year of operation under our ownership.

10 I'm also a member of the Bald Head Island  
11 Transportation Authority and I also presently serve  
12 on the Board of Directors of Bald Head Island Club.

13 The Market and its collective enterprises  
14 are a major customer and user of the transportation  
15 system, spending about \$350,000 a year for employee  
16 tickets, employee cart parking, and the barge and  
17 logistic services that we use through Bald Head  
18 Island Limited. The efficient operation of the  
19 Island's transportation system is critical to the  
20 success of our organization - from the movement of  
21 inventory, equipment, vendor service personnel and,  
22 most importantly, critical staff and employees who  
23 ride the ferry everyday to travel to and from work.

24 In my humble opinion, and as an operator,

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1 the ultimate buyer of the Island's Transportation  
2 assets should be an organization that can  
3 demonstrate their chops as an operating company.  
4 Running this critical infrastructure in a safe,  
5 efficient, dependable and, most importantly, a  
6 customer-focused organization.

7 I don't have any qualms or doubts as to  
8 the ability of SharpVue to operate in a safe manner  
9 as there are many regulations in place at the state  
10 and federal level that mandate a safe operation.  
11 However, I have not seen evidence yet that SharpVue  
12 is a capable operator and one that would be customer  
13 focused. Indeed, SharpVue Capital is really not  
14 an operator at all. They are quite simply an  
15 investment organization. One which gathers a pool  
16 of potential investors to acquire assets with a  
17 promise of a stable and fair rate of return on their  
18 investment. They may well grow to become an  
19 operator in the future but at present I see no  
20 visible operating talent with a relevant history of  
21 experience that can be deployed into a newly  
22 acquired transportation entity.

23 I've seen some comments made by SharpVue  
24 such as, well, we're going to try to the tickets --

1 I'm sorry. I've seen some comments that they've  
2 made, that they've published saying, we're going to  
3 try to hold the ticket price to the CPI, et cetera.  
4 And that's all well and good. But if I were  
5 approached by SharpVue to become one of their  
6 investors, I would be asking one these kinds of  
7 questions before I wrote a check.

8 First, I'd want to know as an investor,  
9 what's your exit strategy? As an investor, when  
10 will I get my money out? And in the mean time, what  
11 rate of return are you promising me and how will you  
12 make that happen? I'd really like to hear this  
13 pitch.

14 From an operating standpoint, why haven't  
15 the boats been running on time, and what's the cost  
16 benefit of fixing that? Further, what's the impact  
17 of these persistent delays on the Island's employees  
18 and the contractors on their commuting time, much  
19 less on the homeowners or their visitors?

20 What's the actual operating age of all of  
21 the assets and what will it cost to repair and  
22 replace and on what frequency? As an investor,  
23 should I be counting on another capital call at some  
24 point in time in the future?

1           What human resource talent are we  
2 inheriting or acquiring, and what is their track  
3 record on safety, efficiency, and dependability?  
4 More importantly, what's their track record on  
5 customer service and what are those metrics? And  
6 are they bonused on customer service metrics? Have  
7 you done your due diligence? And have you talked to  
8 your largest customers to see what's on their mind?  
9 What are their challenges? And how can you work  
10 more closely together to ensure their happiness and  
11 satisfaction? Have you spoken with the Club, the  
12 Market, or even the Village about their  
13 organizations, experiences, or challenges with the  
14 present system? They are after-all your largest  
15 customers. Do you have an active feedback loop,  
16 such as a survey or a comment box? Is there other  
17 methods of hearing from your customers? And, if so,  
18 what are they saying?

19           What's the cost of an unhappy customer?  
20 And what's the benefit of a happy one? How does  
21 that impact the entire economics the Island?

22           The importance of the issues of  
23 dependability, efficiency, and customer friendliness  
24 cannot be overstated. In short, the Transportation

1 system - its people, its assets, facilities, and  
2 operation - are the very first thing that a new  
3 visitor experiences when they come to the Island,  
4 and it's the last thing they experience before they  
5 leave the Island. Those experiences will color all  
6 of their remaining Island experiences for better or  
7 for worse, and will leave a lasting impression on  
8 that visitor at the benefit or expense of every  
9 other entity on the Island, including the Village,  
10 the Club, the Conservancy, the Market, every  
11 restaurant, retail, and homeowner.

12           As the primary regulating body, I'm  
13 assuming that it's your job to vet potential buyers,  
14 looking for things like track record, experience in  
15 relevant industry, et cetera. So how will this  
16 body, for example, respond if SharpVue was asking  
17 you to approve the sale of Duke Energy to SharpVue?  
18 I'm assuming that you'd be asking questions like  
19 what's your experience in delivering electricity;  
20 running power plants; keeping the nuc plants safe;  
21 and keeping the lights on. As a regulated monopoly,  
22 what would their customer service philosophy look  
23 like? If money were no object would they be  
24 qualified to assume the Certificate of Public

1 Convenience and Necessity to operate an electric  
2 utility? I would expect you to ask similar types of  
3 questions about SharpVue in the operation of a  
4 transportation utility as well.

5 The transportation experience of every  
6 rider has a profound effect on how our island is  
7 viewed, and it's critical that the system be owned  
8 and operated by an entity that fully embraces  
9 customer-centric philosophy.

10 I have no personal relationship with the  
11 SharpVue folks, and I'm sure they are all smart  
12 people, and hopefully they can become smart  
13 operators as well.

14 If SharpVue can successfully demonstrate  
15 these --

16 COMMISSIONER DUFFLEY: Mr. Pope, if you  
17 could wrap it up.

18 THE WITNESS: I will. If SharpVue can  
19 successfully demonstrate these operating  
20 philosophies, I'm happy to work with them. And  
21 after all, we will be joined at the hip, at least  
22 for awhile, until they too make a move to maybe  
23 execute their own execute strategy.

24 I have some further comments but I'll



1 leave those for the written record.

2 COMMISSIONER DUFFLEY: Okay. So you'd  
3 like to introduce this into the record?

4 THE WITNESS: Yes, I would. Yes, ma'am.

5 COMMISSIONER DUFFLEY: Okay. Let's see if  
6 there are any questions first and we'll do that.

7 Any attorney questions? Mr. Creech?

8 MR. CREECH: Please.

9 EXAMINATION BY MR. CREECH:

10 Q Mr. Pope, you spoke of the delays and some of  
11 the operational challenges. Would you speak to  
12 that for a moment, please?

13 A Sure. The biggest obvious delay in an  
14 operational challenge is when the boat is  
15 delayed for whatever reason and you have  
16 employees either delayed getting to the Island  
17 to work or, more importantly, they're delayed  
18 getting home. After staying eight to 10 hours,  
19 maybe a 12-hour day if it's a summertime shift,  
20 they're ready to go home and they can't get on  
21 the boat. They either can't get on because the  
22 boat is late or the boat is full and they've  
23 been bumped to the next boat.

24 So it's very disheartening and

1 demotivating for an employee not knowing if the  
2 boat is going to be late or not and  
3 anticipating, unfortunately sometimes the  
4 worst, that it will in fact be late. That's a  
5 challenge. There's a number of reasons for it  
6 and some of those can be fixed, some of them  
7 you just have to live with. But it is a  
8 challenge in operating a business on the  
9 Island.

10 Q Mr. Pope, are there any other mini services,  
11 taxi, boat taxis, anything like that that goes  
12 back and forth to help alleviate that from time  
13 to time? I know that --

14 A There are. There are. Our employees have on  
15 occasion had to and been compelled to hire a  
16 taxi. We have subsidized that on sometimes and  
17 other times they pay for it out of their own  
18 pocket. There's one particular taxi and I  
19 think they charge about \$200 for a trip. It's  
20 a one-way trip. They can carry six people.  
21 So, if you've got two people, they're paying a  
22 hundred bucks a piece. If there are six they  
23 are dividing that up. So there have been some  
24 issues about water taxis coming to the Island

1 with respect to restrictions and limitations  
2 about can they dock, are they allowed to dock,  
3 are they allowed to run, et cetera. I won't  
4 get into all of those, but there have been some  
5 issues with that between the water taxis and  
6 the operating company.

7 Q And in terms of customer service you spoke  
8 about the investor mindset. But in terms of  
9 the customer service are there -- what are you  
10 experiencing now and what would you like to see  
11 in the future?

12 A Great question. There's a lot of different  
13 levels of customer service; some of these are  
14 perceived and some are not. When you walk to  
15 be a ticket counter you want to be greeted with  
16 a smiling face and be welcomed and warmed, and  
17 all of those pretty visible.

18 But some more difficult  
19 scenarios are when you get to the Island and  
20 you're trying to track down your luggage. Joe  
21 was -- mentioned some of this in his testimony.  
22 But for example, years ago, the luggage would  
23 be offloaded. It would be stacked into racks  
24 and arriving passengers would go and find their

1 luggage and take it, and put it in their tram,  
2 and go on their merry way. Nowadays, we're  
3 lucky if those get rolled out to the parking  
4 lot. Sometimes they open the flap, sometimes  
5 they leave the flap down. If your bag is on  
6 the very bottom and you're 88-years-old, and  
7 there's 200lbs of bags on top of your bag, you  
8 don't necessarily have the physical capability  
9 of moving all of those other bags. Plus,  
10 there's kind of a liability issue there. Do I  
11 want to move somebody else's box, drop it; well  
12 they've got Waterford Crystal in that box you  
13 didn't know about that. And now you're moving  
14 other people's stuff just to get to your bag.

15 So those are issues I think  
16 that have been exacerbated by staff shortages  
17 nationally. I get that. Some of those are  
18 training issues; they could have just taken  
19 shortcuts and maybe they just -- they got a new  
20 supervisor that didn't know how to train them  
21 yet. But that's one area of customer service.

22 COMMISSIONER DUFFLEY: Any other attorney  
23 questions?

24 MR. HIGGINS: I do. Yes, ma'am.

1 EXAMINATION BY MR. HIGGINS:

2 Q Mr. Pope --

3 A Yes, sir.

4 Q You mentioned that your market and your  
5 affiliated businesses are one of the larger  
6 customers on the Island. To your point about  
7 SharpVue, have they been to meet with you and  
8 ask about your current experiences,  
9 perceptions, challenges --

10 A No. Thanks for asking the question. When  
11 SharpVue first announced their intention to  
12 acquire the assets, the first thing I did that  
13 night was I sent a note to Lee Roberts, an  
14 email to Lee, *congratulations, look forward to*  
15 *working with you, et cetera, love to meet you*  
16 *sometime*. He acknowledged it. He replied very  
17 graciously. And we said, *hey, let's get*  
18 *together*. At some point in time I'd love to  
19 have that conversation. Those conversations  
20 have not taken place yet.

21 MR. HIGGINS: Thank you, sir.

22 MR. TRATHEN: Mr. Pope --

23 COMMISSIONER DUFFLEY: Go ahead.

24 MR. TRATHEN: If I may.

1 EXAMINATION BY MR. TRATHEN:

2 Q You mentioned the \$350,000 that you spend, you  
3 probably said this and it just flew by me, does  
4 that include the barge fees?

5 A It does.

6 Q And how critical is the barge to your business  
7 operations?

8 A It's everything. No barge, no food, no  
9 customers. Nobody eats.

10 MR. TRATHEN: That's all I have.

11 MR. STYERS: Just a few questions.

12 THE WITNESS: Yes.

13 EXAMINATION BY MR. STYERS:

14 Q Is it fair to say that commercial activity on  
15 the Island year-to-date 2022 is greater than  
16 last year, 2021 year-to-date?

17 A No, it's not fair to say that at all. 2020 and  
18 2021 were incredible years. We were blessed  
19 when many other businesses around the nation  
20 were cursed by Covid. At one time though, we  
21 didn't know if we would have a season with  
22 Covid, because of the whole Island was in  
23 lockdown. The ferries were even locked down,  
24 limited to 25 people, et cetera. The Village

1 didn't want anybody there. They didn't want  
2 renters on the Island. We didn't know if we  
3 would even have a season. The season finally  
4 did open up and the flood gates opened. We  
5 were the beneficiary of that for '20-'21.

6 2022, this year, our business  
7 is down. We have segments that are up.  
8 Grocery is down. Deli cafe is up. Bald Head  
9 Blues business is up. But there's pieces of  
10 that that really kind of confound you  
11 sometimes. Your produce and your meat are  
12 down, but your restaurant is up. Well, people  
13 are eating out more because Covid is gone, so  
14 they are going out to eat. They're not cooking  
15 a steak at home. Little things like that are  
16 kind of confounding. But overall, our business  
17 is flat thanks to some elements being up, but  
18 the main grocery piece being down, and that's  
19 just people returning to a new normal - kids  
20 going back to school, et cetera.

21 Q Operating business yourself, you found that  
22 labor availability has been a challenge for you  
23 as in every other customer service?

24 A Of course it has. Of course it has. But you

1 know, to the customer they had don't care.  
2 They just want their biscuit, you know. Don't  
3 tell that you can't hire a chef, you can't hire  
4 a cook, and I'm waiting in line for a checkout  
5 person. They're on vacation. They've had  
6 their own issues at home. They just want their  
7 biscuit. They just want their coffee. And if  
8 they can't get that or they can't get their  
9 luggage, or the boat is late, that gives them a  
10 bad taste for their whole island experience,  
11 whether they're coming to me or they're going  
12 somewhere else.

13 Q Staff shortages is just basically an issue for  
14 any customer service business, you would agree?

15 A It can be. Some do a better job overcoming  
16 that than others.

17 MR. STYERS: No further questions. Thank  
18 you.

19 COMMISSIONER DUFFLEY: Commissioner  
20 questions? Commissioner Kemerait.

21 EXAMINATION BY COMMISSIONER KEMERAIT:

22 Q Mr. Pope, just one question. You talked about  
23 delays with the ferry. Can you provide a  
24 little bit more information about the frequency



1 of the delays that you're referring to and the  
2 time period of the delay? Like, if you could  
3 generalize how long ferries are typically  
4 delayed when they are delayed.

5 A It was a very general statement. I'm sure Bald  
6 Head Island Transportation keeps very good  
7 records on this boat was late two minutes, 12  
8 minutes, we've had an 83 percent on-time rate,  
9 et cetera. My anecdotal observations are that  
10 even though we are well outside of the peak  
11 season delays are frequent. I came back to the  
12 Island being out of town a few days ago and for  
13 a 2:30 in the afternoon run, the boat was a  
14 half an hour late. You know, I can live with  
15 that. My employees can't. You know, I've got  
16 patience. I can deal with it. I'll wait  
17 around. In fact, we went over, our luggage  
18 didn't make that boat. Our luggage made the  
19 next boat. So some of those things just get  
20 out of joint.

21 COMMISSIONER KEMERAIT: Thank you.

22 COMMISSIONER DUFFLEY: Commissioner  
23 McKissick.

24 EXAMINATION BY COMMISSIONER McKISSICK:

1 Q Could you tell me when you acquired the  
2 supermarket and the other businesses you  
3 operate?

4 A 2011.

5 Q 2011. Now, when did you begin to observe these  
6 service problems or deficiencies that you  
7 testified about this evening?

8 A I would say 2019, 2020. Some of that was due  
9 to probably response of hurricanes. Some of it  
10 was attributed to dredging operations going on  
11 in the channel and we had to slow the boats  
12 down and, therefore, every boat is going to get  
13 a little bit later and later.

14 Well, there's no dredging  
15 operations in the channel now. There's no  
16 hurricanes now. There's no Covid now. So the  
17 only thing I can attribute it to now is either  
18 staff shortages, which I say may or may not  
19 have, training issues, maybe there's an  
20 imbalance, there's more luggage coming over,  
21 then people, and while it only takes people  
22 three minutes to get on the boat it takes 12  
23 minutes to get the luggage on. And maybe we  
24 need more luggage handlers than we need ticket

1           takers.

2                       Some of that stuff is out of  
3 balance and it's either out of balance due to  
4 neglect or it's out of balance due to some  
5 mismanagement or like Joe said, maybe there is  
6 some motivational issues there and they're just  
7 not getting charged enough up to do the job  
8 they know they're supposed to do, because they  
9 don't know if they're going to have a job next  
10 week or next month.

11                      So I think a lot of that is  
12 uncertainty. Some of it can probably be taken  
13 care of pretty quickly, but others are probably  
14 more systemic and beyond my capability to try  
15 to fix.

16   Q    So the best of your recollection is the  
17 problems which you've testified about began  
18 around 2019?

19   A    Right.

20   Q    You attribute some of the problems pertaining  
21 to the dredging or the tropical storms, but in  
22 terms of the volume of visitors to the Island,  
23 has that not significantly increased in recent  
24 years particularly during the pandemic?

1 A It certainly spiked during the pandemic. It  
2 has receded since the pandemic in my  
3 observation. Now, it may have receded from a  
4 visitor standpoint but there's a lot of houses  
5 still under construction. Some of that ferry  
6 volume may now be more contractor volume than  
7 it was visitor volume. So the effect of the  
8 ferry could still be very different than the  
9 effect it's been on our business. I don't know  
10 if that makes any sense or not.

11 Q I understand your response.

12 A Okay.

13 Q I was just thinking that if the volume  
14 increased and particularly during the pandemic,  
15 it doesn't sound like during the pandemic you  
16 experienced the problems or observed the  
17 problems.

18 A We did experience problems during the pandemic.

19 Q Okay.

20 A And those problems from a ferry standpoint were  
21 more driven by the statutory limitations placed  
22 on Limited. I think some of them by this  
23 Commission, that hey you can only put 75 people  
24 on the boat or 125. Whatever those limits

1           were, we all had to live with those. That was  
2           an exceedingly challenging time to get people  
3           and material to and from the Island. Those  
4           restrictions are gone now.

5   Q     Right.

6   A     But yes, some of the problems remain.

7   Q     It lingered.

8   A     Right.

9   Q     Has it gotten worse?

10  A     It depends on who you ask and when you ask  
11        them. You know, sometimes everything is  
12        hunky-dory and other times it's pouring down  
13        rain, and your dog's barking, and your luggage  
14        was sitting over here, and you're just trying  
15        to make the ferry, and you'll blame it on  
16        anything. But problems do linger.

17  Q     Last question. The problems that you have  
18        observed and experienced, did you take it up  
19        with the operators to see if those concerns  
20        could be addressed?

21  A     Chad and I have not spoken directly about those  
22        issues in awhile. We have had conversations in  
23        the past about those issues. And I will say  
24        Chad and I have had a very good working

1 relationship over the years. Ever since we  
2 acquired the market we knew we would be joined  
3 at the hip because of transportation issues and  
4 barge issues and that kind of stuff. So every  
5 time I had reached out to him about a very  
6 specific issue - hey, we need another barge run  
7 or whatever - he's been very responsive to  
8 that. But we have not had this conversation in  
9 awhile.

10 COMMISSIONER McKISSICK: Thank you.

11 THE WITNESS: Yep.

12 COMMISSIONER DUFFLEY: Any other  
13 Commissioner questions?

14 (No response)

15 So Mr. Pope, I have one question for you.

16 THE WITNESS: Yep.

17 EXAMINATION BY COMMISSIONER DUFFLEY:

18 Q You were talking about SharpVue, a group of  
19 investors, you stated there was no visible  
20 operating talent. And I also heard you say,  
21 you know, that's our job to look at that.

22 A Right.

23 Q But, in your opinion, how could SharpVue  
24 provide that visible operating talent? I mean,

1       besides, actually, the transaction going  
2       forward and you seeing it, is there anything in  
3       your opinion that would satisfy you?

4    A   Kurt touched a little bit about this, SharpVue  
5       primarily is an investing company. They're in  
6       the business of finding deals and then finding  
7       investors to fund those deals. They're really  
8       not in the business of running ferries, running  
9       restaurants, running hotels; whatever else they  
10      might want to invest in, they have to go look  
11      for that talent. And in this particular case,  
12      I believe they'll be contracted back with Bald  
13      Head Island Limited to be the operator should  
14      their deal go through. And that's all fine and  
15      well, but I think Kurt or Joe also said well,  
16      you know, you're getting ready to contract back  
17      with an entity that's been having issues with  
18      operations over the last two or three years.  
19      Is that the direction you really want to go?

20                   But the bottom line is there's  
21      nobody that I've seen or met yet or been  
22      introduced to on the SharpVue side that has an  
23      operating background. They've got a great  
24      money background but as an operator of an

1           entity, a business, I haven't seen that yet.

2           COMMISSIONER DUFFLEY: Okay. Thank you,  
3 Mr. Pope, you're excused.

4           THE WITNESS: Thank you. Do you need  
5 these?

6           COMMISSIONER DUFFLEY: Oh right, you  
7 wanted to introduce those.

8           Mr. Creech, if you could come up.

9           THE WITNESS: Do I need to put them back  
10 in order? They are numbered.

11          MR. CREECH: Please.

12          THE WITNESS: Okay.

13          COMMISSIONER DUFFLEY: And we are going to  
14 label this Pope Exhibit 1.

15                               (WHEREUPON, Pope Exhibit 1  
16                               is marked for  
17                               identification.)

18          MR. CREECH: Thank you.

19          COMMISSIONER DUFFLEY: Thank you again,  
20 Mr. Pope.

21          THE WITNESS: Thank you.

22          COMMISSIONER DUFFLEY: Mr. Creech, please  
23 call your next witness.

24          MR. CREECH: Scott Mears.



1 COMMISSIONER DUFFLEY: Hello, Mr. Mears.

2 SCOTT MEARS;

3 having been duly sworn,

4 testified as follows:

5 COMMISSIONER DUFFLEY: Please state your  
6 name and address.

7 DIRECT STATEMENT BY THE WITNESS:

8 My name is Scott Mears. My wife and I  
9 purchased a home on Bald Head Island in 2005. And  
10 in 2014, at the time both of us are retired, we  
11 became full-time residents of Bald Head Island. We  
12 love Bald Head Island. We are appreciative of the  
13 Mitchell family, the way they developed it, and we  
14 couldn't be happier to live there and to retire  
15 there.

16 My primary concern in this matter,  
17 however, is that the transportation system, as  
18 everyone has testified, is a primary concern with  
19 not only the business owners but the property owners  
20 as well as the residents, people such as me and my  
21 wife, who live on the Island. I have great concerns  
22 that a private equity firm is going to be able to  
23 make decisions that affect me and yet I will have no  
24 ability to communicate with them.

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1           Before I retired, for several years I was  
2 a city attorney for the City of Greensburg,  
3 Pennsylvania, which is located in western  
4 Pennsylvania, not far from the City of Pittsburgh.  
5 During that time, during all my years as solicitor  
6 or city attorney, the people whose lives were  
7 affected by the decisions of the City officials had  
8 been a forum in which they could voice their  
9 concerns, voice their criticisms and often when they  
10 did that, it would lead to changes in an ordinance,  
11 the -- changes in the implementation of a policy  
12 that perhaps wasn't the best policy.

13           I have no problem with private equity  
14 concerns in general. I think that that might be the  
15 best vehicle for a private business which is  
16 failing. There have been many instances where  
17 private equity firms have come in and made that are  
18 business flourish. My problem is that if the  
19 transportation system for the Village of Bald Head  
20 Island is operated by a private equity firm, there  
21 will be no opportunity for me or other residents of  
22 Bald Head Island to have any impact on their  
23 decisions. I realize that they have a duty to their  
24 shareholders. They have a duty to their investors.

1 And their decisions will affect their employees.  
2 But their decisions will also affect the property  
3 owners, the business owners, and the residents of  
4 the City of Bald Head, and yet we have no connection  
5 to them and we have no forum in which we can  
6 communicate with them. That's my concerns.

7 COMMISSIONER DUFFLEY: Thank you. And if  
8 you'll hold on a second, let's see if there are any  
9 questions? Mr. Creech?

10 EXAMINATION BY MR. CREECH:

11 Q You speak of recourse and I appreciate your  
12 comments there. In terms of recourse now, do  
13 you have -- what modes of recourse do you have  
14 now that you feel like are helpful and then  
15 what modes of recourse you would like to see?

16 A Well, I think that's the problem because I  
17 don't think we have a whole lot of recourse at  
18 the present time. And when there are problems  
19 in the transportation system, we simply bear  
20 with it. What I'm concerned is that changes  
21 will be made without consulting any of the  
22 residents of the Island who are property  
23 owners. I don't think they have any duty to  
24 us.

1 Q And if I could, in terms of knowing that of  
2 course that this is going to be a -- it's  
3 proposed to be a private entity, private  
4 investors, is there anything included based  
5 upon your experience that you would suggest  
6 would be appropriate in terms of any sort of  
7 mode of recourse or input or feedback?

8 A Really, I'm simply concerned that the people  
9 who are making decisions which will affect our  
10 lives and property will not have any input from  
11 any of us. If there was another forum by which  
12 the transportation system could be operated, I  
13 would welcome it.

14 I wholly support what our Mayor  
15 and council have been trying to do, all their  
16 efforts, but I am concerned about the ability  
17 to voice my problems to the people who are  
18 making decisions that will affect my life and  
19 our property.

20 Q So based upon what you were just saying, would  
21 you -- were you indicating that you felt hike  
22 you could get recourse through ownership by the  
23 Village? Is that what you were suggesting  
24 or --

1 A Well perhaps or an authority. I'm really not  
2 an expert on that. I have no expertise  
3 whatsoever. But I would want someone to  
4 operate the system that would be able to give  
5 us a forum so that we would be able to voice  
6 our concerns especially when we are adversely  
7 affected by something they do.

8 COMMISSIONER DUFFLEY: Mr. Styers?

9 MR. STYERS: I have a question, too.

10 EXAMINATION BY MR. STYERS:

11 Q I think in the very first sentence in your  
12 testimony, Mr. Mears, as you said you were  
13 appreciative for the work the Mitchell's had  
14 done in developing the Island?

15 A Yes. I think they have done a fabulous job in  
16 developing Bald Head Island and I am thankful  
17 for that.

18 Q And you recognize that the Mitchell's corporate  
19 operation were based out of Houston, Texas;  
20 correct? Is that your understanding?

21 A Yes.

22 Q And the George Mitchell estate is being  
23 administered out of Houston, Texas; is that  
24 your understanding as well?

1 A Probably.

2 Q And you understand that SharpVue Capital is  
3 based in Raleigh, North Carolina and is  
4 complete with North Carolina connections? Is  
5 that --

6 A I don't know. I have no knowledge of that  
7 whatsoever.

8 MR. STYERS: No further questions.

9 COMMISSIONER DUFFLEY: No other attorney  
10 questions. Commissioner questions?

11 (No response)

12 Thank you. You may be excused. We  
13 appreciate your testimony tonight.

14 THE WITNESS: Thank you.

15 COMMISSIONER DUFFLEY: Mr. Creech?

16 MR. CREECH: Rocky Rausch, R-A-U-S-C-H.

17 ROCKY RAUSCH;

18 having been duly sworn,

19 testified as follows:

20 THE WITNESS: Thank you. Thank you to the  
21 Commission.

22 COMMISSIONER DUFFLEY: Please state your  
23 name and address before you get started.

24 THE WITNESS: Albert Rocky Rausch and my

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1 address on Bald Head is 16 Sea Gull Trail.

2 DIRECT STATEMENT BY THE WITNESS:

3 We have, my lovely wife Deb and I are  
4 probably the newest residents the Island represented  
5 here. We purchased in 2019 and loved it so much  
6 that we sold a home in Cape Cod and sold that home  
7 on Bald Head and bought a full-time, 12-month-a-year  
8 residence on Bald Head. And I get to answer -- so  
9 we get asked all the time when you get a text or a  
10 phone call, "how ya doing", and I can honestly  
11 answer "living the dream", because we truly are.  
12 And it's been a great experience. It's been a  
13 wonderful opportunity to be a resident in North  
14 Carolina. And I would say to get to meet and know  
15 firsthand in, you know, really developed ways over  
16 the course of just two years some friends that I can  
17 consider lifetime friends. So the people of Bald  
18 Head are really significant and the opportunity to  
19 engage on a daily basis with folks like this is  
20 really a pleasure.

21 I have listened with great interest and  
22 will echo just about everything that's been said  
23 about the concerns. If I could put an emotion to it  
24 which is maybe the only little addition I might add,

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1 it would be control is not an emotion, but  
2 vulnerability is an emotion. And I think there's a  
3 sense of vulnerability when you don't know outcomes  
4 and when you don't know the next step. Sometimes  
5 that happens all the time in life. In fact, I have  
6 a friend who says it's an illusion of control. We  
7 are not in control. So we're used to that. But it  
8 is good to verbalize it. It is good to express  
9 one's self. It is good to express that emotion.

10 So, my notes are -- have pretty much  
11 already been spoken. I would like to just point out  
12 two quick things and just reiterate what's already  
13 been said. I think that Claude's conversation about  
14 the customer friendliness the Island is a huge  
15 quality that we offer. I might suggest there is no  
16 other model like Bald Head Island. It is a  
17 wonderful place. I'm not -- there probably are but  
18 we've traveled a good bit and we've not seen  
19 anything like Bald Head Island. And it's the people  
20 that support that uniqueness but it is also the way,  
21 the smiles on the faces of people that come over on  
22 that ferry and see it for the first time is a real  
23 experience to watch, as one who does it regularly  
24 now, to see the emotion of somebody enjoying that.



1           What we would like to, I think, in my  
2       conversations recently with those who have similar  
3       experiences on Bald Head, please, whoever purchases  
4       this, SharpVue, do not screw that up. Please do not  
5       screw that up. Please do not mess up the beauty of  
6       what we have there on Bald Head and what the State  
7       of North Carolina has.

8           I thought Claude did an excellent job of  
9       pointing out how significant the transportation  
10      system/the ferry system, and Joe's three-legged  
11      stool, that really is the core of what we offer. In  
12      order to get there and to enjoy the people and to  
13      enjoy the experience, there is the mouth of the  
14      river and you can't access one without the other.

15           So my hope would be to express those of us  
16      who have relatively minimal experience there but are  
17      still living the honeymoon of it, if we're going to  
18      do this, do that right and don't screw it up.

19           COMMISSIONER DUFFLEY: Questions? Thank  
20      you, Mr. Rausch. Questions from attorneys?

21      EXAMINATION BY MR. TRATHEN:

22      Q     I guess, Mr. Rausch, you spoke to the feeling  
23             of the vulnerability and concerns, can you give  
24             the two or three primary concerns you have with

1           respect to this transaction?

2       A     One I think would be the -- a -- the unknown  
3           which would be maybe the 30,000-foot  
4           perspective. The others would be -- we're  
5           not -- this was spoken so well by Mr. Haglund  
6           and I think by Scott just now -- we're not the  
7           primary stakeholders of a purchase by SharpVue.  
8           We're down on the totem pole, if you will.  
9           Primary stakeholders are those who will be  
10          looking at your returns.

11                       There was an earlier question  
12          about reasonable fare. My first thought was  
13          well that definition of reasonable is going to  
14          be different for a one that is supplying that  
15          rate of return and one who is receiving that  
16          rate of return. So when you're supplying of  
17          the rate of return, there is vulnerability to  
18          that. What are our services going to be and  
19          what are we going to pay for it in order to  
20          preserve this beautiful spot that we've got?

21               MR. TRATHEN: All right.

22       EXAMINATION BY MR. STYERS:

23       Q     In response to Mr. Trathen's question about  
24           vulnerability, the first thing you mentioned

1           was the unknown, who's going to own it. So  
2           really -- it's really the function of the  
3           uncertainty right now is the primary driver of  
4           that. Would you agree?

5    A     Yes. What one would be somewhat certain of  
6           though is that this is an investment expecting  
7           a return.

8    Q     And the sooner we can bring some certainty and  
9           bring some closure to this process, that  
10          reduces that uncertainty, does it not?

11   A     That would be a step in it. I think what is  
12          presented is another step in it.

13                 MR. STYERS: No further questions. Thank  
14    you.

15                 COMMISSIONER DUFFLEY: Any other attorney  
16    questions? Commissioner questions?

17                         (No response)

18                 Thank you, Mr. Rausch, for your testimony.  
19    You may be excused.

20                 Mr. Creech?

21                 MR. CREECH: Brent Belch, B-E-L-C-H.

22                 COMMISSIONER DUFFLEY: Mr. Creech, how  
23    many more witnesses after Mr. Belch?

24                 MR. CREECH: We have two more, Kim and

1 Rex.

2 BRENT BELCH;

3 having been duly sworn,

4 testified as follows:

5 COMMISSIONER DUFFLEY: Please state your  
6 name and address before you get started.

7 THE WITNESS: I am Brent Belch and I  
8 permanently reside at 20 Mourning Warbler Trail with  
9 my lovely wife Cindy.

10 DIRECT STATEMENT BY THE WITNESS:

11 I found BHI in the '70's, back in the  
12 generation, generate a society, and fell in love  
13 with it then. It was tough to live on Bald Head  
14 Island back then but it was certainly a heck of a  
15 lot of fun. We enjoyed it. We vacationed often  
16 here in the '80's. We got married on Bald Head  
17 Island in 1992. And we purchased our first home in  
18 2001, and our permanent residence that we live in  
19 now in 2008.

20 I have to tell you that I think the  
21 transportation system is absolutely the life blood  
22 of this Island. Second to Duke Energy, there's not  
23 a utility, in my opinion -- and I think it is in  
24 fact a utility and it should be called such --

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1 there's not a utility more important to a livelihood  
2 of this Island than having an effective and only  
3 means of getting on and off the Island. To me,  
4 that's blatantly obvious.

5           You know, I understand the private  
6 ownership nature of where Bald Head Island  
7 transportation was and where it is now, but I don't  
8 understand exactly where it's going. I don't view  
9 it as three separate systems - a barge, a ferry, a  
10 parking; it's one utility. You can't have one  
11 without the other two. If the parking fails, where  
12 are we going to put our cars? If the parking  
13 becomes too expensive, how are the people going to  
14 continue to come and feel free to go? If the tram  
15 that comes -- excuse me, the ferry tickets become  
16 too expensive, what are we going to do? I think  
17 that we need to view it not as three separate  
18 systems but as one utility and regulate accordingly  
19 to protect everybody - the businesses, the  
20 employees, the residents, and certainly our  
21 visitors.

22           Look, SharpVue is a private equity firm.  
23 Private equity firms are not typically, while they  
24 may own some utilities, some toll roads, et cetera,

1 but private equity firms are usually not in the  
2 business of running and managing utilities. They're  
3 in the business of providing a significant and often  
4 times premium return to their sole constituents  
5 which are called their stakeholders.

6 To the point made earlier, we fall far  
7 down the totem pole when you look at the  
8 stakeholder. Their mission is to maximize income,  
9 potentially limit services, and minimize needed  
10 reserves for current and deferred maintenance if  
11 they are not getting the income they need to provide  
12 the return to their investors. It's -- really  
13 that's it. Most private equity firms look at an  
14 investment threshold period of five years or less.  
15 Some are in it for the long haul. I get that. But  
16 that is not typical of a private equity firm.

17 My plea is to respectfully request that  
18 the Utility Commission provide regulatory guidance  
19 for the ferry, the barge, and the parking services  
20 as one regardless of who owns it.

21 COMMISSIONER DUFFLEY: Mr. Belch, if you  
22 could wrap up your comments --

23 THE WITNESS: Sure.

24 COMMISSIONER DUFFLEY: -- and we can put

1 this --

2 THE WITNESS: Three quick questions  
3 regarding the Application to transfer the  
4 Certificate of BHI to SharpVue. My understanding is  
5 the dredge spoils basins are at or near capacity.  
6 What does SharpVue plan to do about that in an  
7 environmentally friendly way? Is this even being  
8 addressed? The second question: Is SharpVue making  
9 a commitment in this proceeding to keep ferry rates  
10 static for a period of time? And what insurances  
11 will we have that they will just not raise the  
12 parking and barge fees to offset any loss in the  
13 ferry operation? That's a reasonable question to  
14 ask. And how would any promises of rate abatement  
15 in this transfer process be enforced? Lastly, and  
16 most importantly, and somewhat perplexing to me, is  
17 why are we even discussing the transfer of the  
18 Certificate to run the operations to SharpVue when  
19 the Commission is yet to make a determination of the  
20 issues of regulating the parking and the common  
21 carrier barge operation?

22 COMMISSIONER DUFFLEY: Thank you,  
23 Mr. Belch. Are there questions for Mr. Belch?

24 EXAMINATION BY MR. CREECH:

1 Q Mr. Belch, thank you for your testimony. I was  
2 going to ask you if you could expand upon your  
3 comment related to dredge spoils?

4 A Yes. The dredge spoils, the basins are at, in  
5 my understanding from what I've been told, is  
6 that they are at or near capacity. We've heard  
7 nothing as to how you could environmentally and  
8 effectively resolve those issues.

9 Q And if I may, have you heard anything earlier  
10 about how it was being addressed and what would  
11 you like to hear and what -- how would you like  
12 to hear it?

13 A I would like to have some communications, some  
14 transparency from SharpVue, from Bald Head  
15 Limited, from whoever will end up ultimately  
16 operating the utility.

17 Q And have you received any communication in the  
18 past?

19 A No. Not me personally.

20 Q And how did you learn of the issue that you're  
21 raising?

22 A It's been widespread across the Island by word  
23 of mouth. Some of which has been hearsay. I  
24 don't think it's an issue that is not relevant



1 and not real.

2 MR. CREECH: Thank you.

3 COMMISSIONER DUFFLEY: Any other attorney  
4 questions? Commissioner questions?

5 MR. STYERS: Just a question or two, if I  
6 may?

7 COMMISSIONER DUFFLEY: I'm sorry.  
8 Mr. Styers, go ahead.

9 EXAMINATION BY MR. STYERS:

10 Q Have you talked or spoken personally with  
11 Mr. Roberts about his intentions on behalf of  
12 SharpVue Capital?

13 A No, I have not.

14 Q And you haven't read his prefiled testimony  
15 that was filed in this docket, have you?

16 A I'm sorry.

17 Q You haven't read the prefiled testimony he's  
18 filed in this docket, have you?

19 A No, I have not.

20 MR. STYERS: No further questions.

21 COMMISSIONER DUFFLEY: Mr. Belch, we'll  
22 try to get answers for you for that dredge spoil  
23 question.

24 THE WITNESS: Thank you.

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1 COMMISSIONER DUFFLEY: Thank you,  
2 Mr. Belch.

3 No questions from Commissioners? Do you  
4 have a question? And did you want to put your --

5 THE WITNESS: No, that's fine.

6 COMMISSIONER DUFFLEY: -- testimony, your  
7 witness statements --

8 THE WITNESS: No, thank you.

9 MR. CREECH: Next we'd like to call Kim  
10 Scagnelli, S-C-A-G-N-E-L-L-I.

11 KIM SCAGNELLI;  
12 having been duly sworn,  
13 testified as follows:

14 COMMISSIONER DUFFLEY: Please state your  
15 name and address before you begin.

16 THE WITNESS: My name is Kim Scagnelli and  
17 I at 9 Live Oak Trail.

18 DIRECT STATEMENT BY THE WITNESS:

19 My family has been coming to Bald Head  
20 since 1991, so we have seen significant changes over  
21 that time. We built our house in 2006 and we become  
22 permanent residents during Covid. We've lived here  
23 for the past two years. We love Bald Head. It  
24 really is a special place as many people have spoken

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1 about.

2 I don't come as a fancy business person.  
3 I'm a social worker, retired. I think more of  
4 people. That has been my life career.

5 We used to rent our house because as most  
6 of you know it's very expensive to have a house on  
7 Bald Head - taxes, insurance, mortgage, et cetera.  
8 Recently, this past summer, since we're not renting  
9 anymore, I ran into the woman who cleans, that used  
10 ed to clean our house with her crew during the  
11 summers, which is a very difficult job here. They  
12 turned over 10 houses a day on a Saturday. I just  
13 happen to be leaving the Island on a Saturday which  
14 I try not to do in the summer because it's crazy,  
15 and the system has been broken for the last couple  
16 of years. I bump into her and I say, "how are you  
17 doing"? She said, "oh my God, Ms. Scagnelli, it's  
18 horrible. I'm here with my crew, we've been bumped.  
19 We couldn't get on the 3:30. We couldn't get on the  
20 4:30. We're hoping to get on the 5:30". These  
21 people have worked for 12 hours a day cleaning  
22 houses and they can't get home. And it's hot. And  
23 there's no air conditioning. You're in the sun.

24 So we need to be start thinking about --

1 I'm retired. I can leave here or there at different  
2 times, right. I'm not on a schedule. I haven't  
3 worked a 12-hour shift. The workers who come to  
4 this Island, as Claude said how many people he  
5 employs, they have to be thought of. And a private  
6 equity firm as many people have said, they're in the  
7 business of taking care of the investors who have  
8 given them money. They don't care about a cleaning  
9 woman that's on a ferry that can't get home. And we  
10 have to put those issues as paramount. If we forgot  
11 that people are important, we are going to lose the  
12 specialness of this place.

13 So I really urge the Commission to think  
14 of the more common men and women that are workers  
15 and also people like us. I'm a retired social  
16 worker. This was my dream since 1991 to be on Bald  
17 Head. My husband and I worked our butts off to get  
18 here and I want to be able to afford to stay here.  
19 And I worry how expensive are things to going to get  
20 when we don't know if a Company is going to buy us  
21 and then sell this portion off to make money, sell  
22 this other portion off to make money if it's not  
23 regulated, and then five years down the road we're  
24 done. And then what's next?

1           So, I'm very plain spoken and I don't have  
2 a fancy business degree, but that's my concern.

3           COMMISSIONER DUFFLEY: Questions from  
4 attorneys? Mr. Creech?

5 EXAMINATION BY MR. CREECH:

6 Q    Ms. Scagnelli, I have one question if I could  
7 relating to, you mentioned your concern that  
8 was earlier referenced to vulnerability, et  
9 cetera, not in your testimony but in other  
10 testimony about the possible acquisition and  
11 then subsequent transfer of ownership here.  
12 Can you articulate a little bit more about your  
13 concerns and what you would want to see,  
14 safeguards? And this is a broad kind of  
15 question.

16 A    I am very much for the Village purchasing the  
17 system. The Village is run by people who live  
18 here, who have a stake in it financially  
19 because they have homes here, and they are  
20 going to look out, I think, for not only the  
21 people for now, we've got to talk about what  
22 are we going to pass on. We're going to die.  
23 Most of us on Bald Head, we're 65 plus. We've  
24 got maybe a good 10, 20 years on Bald Head.

1           What are we leaving? What legacy are we  
2           leaving for the generations to come? And if  
3           the Village owns I think we have much more  
4           security and safety, that it's not going to  
5           keep -- it's not going to be just a financial  
6           thing; it's going to be hopefully a utility.

7                         Just like New York, I was  
8           raised in New York, we've got the subway  
9           system, you know. And you know that it's going  
10          to -- the rates are going to go creeping up,  
11          but it's not going to go from -- I don't even  
12          know what it is now to ride the subway in New  
13          York, \$5 to, in a couple of years, \$25.

14                        Now, if you-all have been to  
15          Daufuskie Island; Daufuskie Island, we just  
16          went to on vacation this summer, it is now \$65  
17          a person to go round trip onto Daufuskie  
18          Island's ferry. Their ferry is 25 minutes.  
19          Our ferry is 20 minutes. So, you know, it's  
20          real and that's why people, a lot of people,  
21          feel vulnerable and afraid because it could be  
22          where people can't afford to live here anymore.

23       Q       If I could I have two questions. One relates  
24               to you said that you would like for the Village

1 to be able to purchase it. What if the Village  
2 doesn't purchase it? And what if anything  
3 would -- safeguards -- what would -- would  
4 there be anything to alleviate or help  
5 alleviate some of your concerns?

6 A Well, I think if we could get regulated, as  
7 everybody is saying, as one package - the  
8 ferry, the parking, and the barge - that would  
9 give us a sense of security that there is some  
10 regulation and prices aren't going to go crazy.

11 Q Thank you. And then you talked about Daufuskie  
12 Island, tell us about your experience there if  
13 you could or -- well, I guess, I don't know  
14 how -- compare that, those rates to the rates  
15 that you're paying now and maybe compare if  
16 you'd like?

17 A Okay. Well, right now, a ferry ticket is I  
18 think \$24, \$25, around that unless you buy a  
19 bulk ticket which is going to be cheaper than  
20 that. I think it's maybe \$17. I'm not, you  
21 know, I'm just saying round-about numbers a  
22 ticket. And if you buy in bulk which is like a  
23 400-ticket package -- or \$400 for the -- I  
24 don't know how many. Maybe 40 round trips.

1                   So Daufuskie Island is very  
2                   interesting. Daufuskie Island has one part of  
3                   the Island that's very well-to-do, called Haig  
4                   Point. So if you live in Haig Point you get  
5                   ferries running every hour. You pay \$25,000 a  
6                   year to have that service. Along with, you  
7                   know, some other services, more concierge kind  
8                   of services. The rest of Daufuskie that's not  
9                   part of Haig Point, there's ferries four times  
10                  a day and the tickets are \$65,000 -- \$60 round  
11                  trip. So that's a huge difference.

12                 Right now, I hope you all know  
13                 that we have every hour on the hour we have  
14                 ferry service. The contractors have service on  
15                 the half hour, not all day long but in the  
16                 morning and in the afternoon. So that's a lot  
17                 of service. And that's a concern, too, if  
18                 whatever entity that's a private company buys  
19                 it and starts losing money, are they going to  
20                 say, well you know what, we don't really need  
21                 to run the ferry at 9:00, 10:00, 11:00, and  
22                 12:00. Let's just run it at 9:00 and 1:00 and  
23                 5:00, because that's cheaper. That could  
24                 happen. We have no control over that.



1 COMMISSIONER DUFFLEY: Any other  
2 questions, Mr. Creech?

3 MR. CREECH: No.

4 COMMISSIONER DUFFLEY: No other questions?  
5 Commissioners' questions? Commissioner McKissick.

6 EXAMINATION BY COMMISSIONER McKISSICK:

7 Q You spoke very articulately about concerns of  
8 what could happen to the scheduling in the  
9 future. Before your housekeeper, prior  
10 housekeeper, expressed to you concerns about  
11 the current schedule, had you personally  
12 observed scheduling issues or problems?

13 A It hasn't -- it wasn't as bad as it has been in  
14 the last, I'd say, three to five years. I  
15 think what's happened, again this is a social  
16 worker not a business woman, just an  
17 observation. I think because all this mess  
18 about the transportation system has gone on for  
19 years now, money hasn't been put in. Boats  
20 this summer, lots of bigger boats weren't even  
21 running because they were broken and they  
22 couldn't get parts to fix them. So sometimes  
23 in the heat in the summer with so many people  
24 coming on the Island, the boat that usually

1 have a 200-people capacity, a smaller boat  
2 would have to run with only 75-people capacity.  
3 And you would have all these people coming for  
4 their wonderful vacation, they're paying a lot  
5 of money and their luggage is sometimes not  
6 even coming on their boat.

7 Like when my kids were coming,  
8 I'm like you better come like early morning or  
9 you better come late at night because otherwise  
10 your luggage isn't going to come with you.  
11 You're going to arrive on the 2:00 ferry and  
12 your luggage may not arrive til 4:00. I mean,  
13 what way is that to treat people? And so it  
14 was not only the workers having a lot of  
15 trouble, I think all the people that were  
16 coming for a nice vacation was having a lot of  
17 trouble, and luggage was getting lost much more  
18 frequently, or just bumped, bumped, bumped,  
19 bumped, and so they didn't know when their  
20 luggage was going to show up.

21 Q And when did you first observe those problems?

22 A Like I said, I would say three to five years.  
23 The last two years especially has just worsened  
24 because of boats being broken, because of like

1 people saying I don't know, I'm not investing  
2 money, not having workers. It used to be like  
3 you'd come, the guys would get your luggage  
4 off, you know, put it on for you, even help you  
5 sometimes put it in the tram or put it in your  
6 golf cart. Now it's like self service. The  
7 stuff is there. You know, I'm a small person.  
8 I'm pretty strong for my age but it's like, you  
9 know what, like they're saying, there's stuff  
10 piled, like heavy coolers, and you're trying to  
11 get your stuff out and one woman's yelling  
12 "that's my case of wine", and you know it's  
13 like craziness right now. I mean, you know  
14 this is what's happening guys, right?

15 I mean, I'm just a plain spoken  
16 person. Being from New York I'll just say it  
17 like it is, right. That never used to happen.  
18 There is a lot of young workers -- men, mostly  
19 men that they hire. I don't know if I've ever  
20 seen a female tram person. And they -- it was  
21 very organized and it wasn't -- you felt like  
22 oh, okay, not like a New York subway where it's  
23 like crazy. That's what it's starting to  
24 become. And I don't know if it's lack of

1 labor. I think lack of motivation. I think  
2 probably Limited is tired of all this just like  
3 we all are. And so it's just like we're not  
4 going to provide service because this has  
5 dragged on and on and on and on. My guess. I  
6 don't know. It's just a guess.

7 COMMISSIONER McKISSICK: Thank you. I  
8 appreciate the directness of your testimony.

9 COMMISSIONER DUFFLEY: Okay. Any other  
10 Commissioner questions?

11 (No response)

12 Thank you for your testimony. Thank you  
13 for coming out tonight.

14 COMMISSIONER DUFFLEY: Mr. Creech?

15 MR. CREECH: Rex Cowdry, C-O-W-D-R-Y, Rex.

16 COMMISSIONER DUFFLEY: Why don't we wait  
17 until the end of his testimony to mark the exhibit.

18 REX COWDRY;  
19 having been duly sworn,  
20 testified as follows:

21 COMMISSIONER DUFFLEY: Please state your  
22 name and address before you begin.

23 THE WITNESS: Rex Cowdry, 17 East Beach  
24 Drive, Bald Head Island. I wish I had known about

1 the ceding time, I would have worked out an  
2 additional three minutes. I'll try to keep it  
3 within the Zone.

4 COMMISSIONER DUFFLEY: I'll let you know  
5 if you don't.

6 THE WITNESS: I'm sure you will.

7 COMMISSIONER DUFFLEY: Well, you get an  
8 extra 10 minutes because I've already --

9 THE WITNESS: Ten minutes?

10 (Laughter)

11 COMMISSIONER DUFFLEY: Ten seconds. Ten  
12 seconds. Twenty seconds. Thirty seconds. You have  
13 30 more seconds.

14 THE WITNESS: Thank you so much. I  
15 appreciate it.

16 COMMISSIONER DUFFLEY: Please begin.

17 DIRECT STATEMENT OF THE WITNESS:

18 My wife, Donna Patterson, and I have been  
19 coming to Bald Head Island for 35 years. We built a  
20 home there 25 years ago. We've been permanent  
21 residents for the last eight years. But most  
22 relevant to my testimony tonight is that I've been a  
23 member for Bald Head Island Transportation Authority  
24 since it was formed in 2017. And that has --

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1 through that I developed a detailed understanding of  
2 the system, finances, and challenges. And I'll  
3 focus on three conclusions.

4 One, the Bald Head Island Transportation  
5 Authority would have been the best operator of the  
6 system.

7 I'm testifying not as an Island resident,  
8 not as a member of the Authority, but I need to  
9 describe that experience so that you understand my  
10 view about the transfer of the Certificate to  
11 SharpVue.

12 The Authority is authorized by the General  
13 Assembly in the belief that a public regional  
14 authority with a broad representation of local  
15 jurisdictions would have been the best operator.  
16 Especially since most of the passengers do not live  
17 on Bald Head Island.

18 Limited, the Village, Southport, and  
19 Brunswick County supported this approach. We  
20 conducted extensive due diligence that John Fisher  
21 described. We performed extensive feasibility and  
22 affordability studies of the system including stress  
23 testing under different economic conditions. Based  
24 on these data, we negotiated a purchase price of \$47

1 million, 47,750, for the system, a figure lower than  
2 the total appraised value of the assets, as required  
3 by the law.

4 We went to the Local Government Commission  
5 asking for approval to issue the bonds, with only  
6 the three members representing the Village Council  
7 opposing the action.

8 Point number two. The Village intervened  
9 to prevent the sale of the system to the Authority.  
10 Shortly after the Authority filed with the LGC, some  
11 Village elected officials and property owners  
12 intervened with the LGC, invited the State Treasurer  
13 to the Island and promoted the view that the price  
14 was too high, the appraisals were flawed. And the  
15 Treasurer and the Auditor adopted that position.  
16 And we have been dead in the water with regard to  
17 further events.

18 It's been frustrating to hear some of  
19 tonight's testimony since we had planned a  
20 reservation system, a new ferry. We had begun  
21 evaluating strategies to deal with delays and  
22 baggage handling issues and the spoils basin issues.  
23 I understand that SharpVue has similar plans for  
24 dealing with it. Limited has been stating for over

1 a year that if the sale to the Authority failed, it  
2 would sell the system to private investors at a  
3 higher price than was offered to the Authority.  
4 With the transfer that the Authority blocked by the  
5 Village and the LGC, Limited did exactly that. It  
6 turned to its next best option, negotiating a sale  
7 of the system to SharpVue for \$56 million.

8 I'm running close on time. I would just  
9 say --

10 COMMISSIONER DUFFLEY: You can continue on  
11 for another minute.

12 THE WITNESS: Thank you.

13 Point three. SharpVue now represents the  
14 best alternative to operate the system, given the  
15 failure of the Authority to acquire it.

16 I met with Lee Roberts on behalf of the  
17 Authority to review his comments at the public  
18 meeting on Bald Head Island, have followed much of  
19 the regulatory proceeding before the Commission, and  
20 I've been impressed, both with Mr. Roberts who seems  
21 a thoughtful and credible principal committed to  
22 advancing the development in North Carolina and  
23 health of the Island's economy, that being central  
24 to his investment. And I've been impressed with key

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1 features of SharpVue's plans, specifically, the  
2 nature of their investors, predominantly North  
3 Carolinians with some investors being property  
4 owners on the Island; their intention to keep it  
5 operating as a system; their intention to hold the  
6 assets for years rather than turn it over for a  
7 quick return on capital; their commitment to a  
8 smooth transition, including retention of current  
9 management and hiring the current staff; their  
10 commitment to limit parking fee increases to no  
11 greater than the growth of the CPI for at least four  
12 years, ideally, they'd make the same commitment  
13 regarding barge rates; and their commitment to and  
14 access to capital for system improvements already  
15 identified by the Authority - a new vessel, better  
16 baggage handling, reservation system, expansion of  
17 parking capacity - all desperately needed and all  
18 delayed unnecessarily in my view by two years.

19 I'd be please to respond to any questions  
20 that counsel or the Commission might have.

21 COMMISSIONER DUFFLEY: Thank you. Do the  
22 parties have any questions? Mr. Creech?

23 EXAMINATION BY MR. CREECH:

24 Q Mr. Cowdry, you indicated that you thought that

1 the Authority was the best mechanism to run and  
2 operate the system. What made you feel that  
3 way? I mean, what aspects of that made you  
4 feel that way? And why do you -- and you  
5 indicated several reasons why SharpVue you  
6 think is the best opportunity now. What  
7 aspects of your thoughts on the Authority may  
8 have carried into SharpVue?

9 A As I understand the General Assembly's thinking  
10 about it, they wanted to set up the capacity  
11 for a regional authority but have  
12 representation, and have a strong  
13 representation from the Village that are four  
14 members of the 11-member that must come from  
15 the Village. Initially, we had a majority of  
16 people who either lived on or had property on  
17 the Island, as trustees, as board members of  
18 the Authority. I think the idea was we could  
19 act as a municipality and offer revenue bonds.  
20 In fact, we had gotten a low investment grade  
21 rating for the bonds that were --

22 Q Could you speak into the mic?

23 A Oh yes. Sure. Sorry. And secondly, it  
24 provided a local regional way to establish

1 policies and pricing about the system that  
2 would be responsive to really the whole range  
3 of people who used this vital set of services.  
4 I think that's the reason that I preferred the  
5 Authority.

6 At this point, I think what I'm  
7 impressed with about SharpVue is their  
8 commitment, both to an ongoing operation of it  
9 but also that they have specific plans for  
10 management through continuing the current  
11 management, and I think that that plus their  
12 access to capital will be exactly the kind of  
13 things we need to make the changes that the  
14 system now needs after two years, you know, in  
15 limbo, or more than two --

16 COURT REPORTER: I'm sorry. Limbo or  
17 what?

18 THE WITNESS: In limbo. I said well more  
19 than two years now.

20 COMMISSIONER DUFFLEY: Mr. Creech, any  
21 further questions?

22 MR. CREECH: No.

23 COMMISSIONER DUFFLEY: Excuse me.

24 MR. CREECH: No further questions. Thank

1 you.

2 COMMISSIONER DUFFLEY: Mr. Trathen?

3 MR. TRATHEN: Yes.

4 EXAMINATION BY MR. TRATHEN:

5 Q Mr. Cowdry, you mentioned the hope for  
6 protection with respect to the barge rates.  
7 Could you speak to that?

8 A In our projections, we had assumed that none of  
9 the rates would rise at a rate faster than the  
10 CPI-U. Obviously, under SharpVue, the ferry  
11 rates would be regulated by the Commission so  
12 we don't have to worry about that kind of  
13 commitment. That will be dealt with a few  
14 regulatory proceedings in a rate case, which I  
15 understand they have committed to not bringing  
16 for the first year of operation of the ferry.

17 The barge, we also had  
18 projected out inflation rate increase in our  
19 projections. And obviously, I think we'd all  
20 be reassured by that kind of commitment.

21 Q And Mr. Cowdry, you mentioned SharpVue's access  
22 to capital. Do you have any knowledge about  
23 SharpVue's assess to capital beyond what they  
24 had represented in their filings?

1 A No, not beyond that.

2 Q Thank you.

3 COMMISSIONER DUFFLEY: Yes, Mr. Creech,  
4 I'll allow one more.

5 MR. CREECH: Thank you, Commissioner. One  
6 more question.

7 EXAMINATION BY MR. CREECH:

8 Q You've spoken about the ferry. You've spoken  
9 about the barge. What about parking?

10 A What about parking. I'm satisfied with their  
11 commitment about rates. I think one of the  
12 issues of the access to capital for the kind of  
13 improvements that we need, know that will be  
14 needed in parking in terms of parking  
15 expansion, there are areas that are set aside  
16 for that, really in the property that's there,  
17 it could be accomplished but it will require  
18 some capital improvement.

19 COMMISSIONER DUFFLEY: Mr. Styers?

20 EXAMINATION BY MR. STYERS:

21 Q You said you had met with Mr. Roberts and  
22 talked with him about his plans; is that  
23 correct?

24 A Yes. On behalf of the Authority, we met, not

1 in person but remotely, to talk about his plans  
2 and the Authority's experience.

3 Q And you've also reviewed his testimony that  
4 he's prefiled in this docket?

5 A Yes.

6 Q And you have been following the regulatory  
7 proceedings in both Sub 21 and Sub 22; have you  
8 not?

9 A Yes, I have.

10 MR. STYERS: No further questions.

11 COMMISSIONER DUFFLEY: Mr. Higgins?

12 MR. HIGGINS: Thank you, ma'am.

13 EXAMINATION BY MR. HIGGINS:

14 Q Mr. Cowdry, you said you were satisfied with  
15 SharpVue's commitments as to rates. How would  
16 expect those commitments to be enforced?

17 A Well, that's an interesting question. I assume  
18 that there would be an uprising on the Island  
19 if they did not fulfill their commitments to  
20 the Commission in the course of these  
21 proceedings.

22 Q An uprising in the form being at the  
23 Commission; is that what you're --

24 A Well, I assume that there would be a complaint

1           that would be brought before the Commission and  
2           presumably a renewed attempt to bring parking  
3           under regulation at that point. That would  
4           just be my assumption about what would be done.

5   Q     Thank you.

6           COMMISSIONER DUFFLEY: Any Commissioner  
7           questions? Commissioner McKissick?

8   EXAMINATION BY COMMISSIONER McKISSICK:

9   Q     Based upon your testimony, you support the  
10          acquisition by SharpVue; correct?

11   A     That is correct.

12   Q     Are there any aspects to that transaction that  
13          gives you reservations?

14   A     If it were any private capital firm I would say  
15          yes but, based upon what I heard during the  
16          proceedings and what I've seen in the filings,  
17          I'm sure that both the group of investors  
18          understand the Island and are committed to a  
19          longer term investment in the Island, and that  
20          they also recognize that they need to have a  
21          smooth transition of management without a lot  
22          of disruption. That impresses me. It's not  
23          like at least some of the movie depictions of  
24          takeovers, it seems like a much more

1            knowledgeable approach.

2        Q        And you've referred to conversations with I  
3            guess what I will refer to as those affiliated  
4            with SharpVue; is that correct?

5        A        Yes.

6        Q        How often have those conversations occurred,  
7            and have you initiated them or they have  
8            initiated them?

9        A        We had one and I did not personally initiate  
10           it, but it was -- we were part of the  
11           negotiating group for the Authority, and  
12           several of us who are members of the Authority  
13           board had a meeting with --

14      Q        Thank you. I have no further questions.

15      A        Thank you.

16                   COMMISSIONER DUFFLEY: Any other  
17      Commission questions?

18                   (No response)

19                   Okay. And we have an exhibit, I'll take a  
20      motion.

21                   MR. CREECH: Yes, please. We have Cowdry  
22      Exhibit 1 that we would like to have introduced and  
23      included in the record, please.

24                   COMMISSIONER DUFFLEY: That motion is



1 allowed.

2 (WHEREUPON, Cowdry Exhibit 1  
3 was marked for  
4 identification.)

5 COMMISSIONER DUFFLEY: Also, out of an  
6 abundance of caution, allow the motion to accept all  
7 identified witness exhibits tonight into the record.

8 (WHEREUPON, Fisher Exhibit  
9 1, Pope Exhibit 1, and  
10 Cowdry Exhibit 1 are  
11 received into evidence.)

12 COMMISSIONER DUFFLEY: You may be excused.  
13 Thank you for your testimony tonight.

14 THE WITNESS: Thank you.

15 COMMISSIONER DUFFLEY: Mr. Creech, do you  
16 have any other witnesses to call?

17 MR. CREECH: I have no other listed  
18 witnesses here.

19 COMMISSIONER DUFFLEY: So out of an  
20 abundance of caution, is there anyone else in the  
21 courtroom tonight that would like to come up and  
22 testify in this matter?

23 (No response)

24 Seeing none. Well, before we conclude

1 tonight, I would ask that Bald Head Island  
2 Transportation contact Mr. Belch about the dredge  
3 spoil issues --

4 MR. STYERS: Absolutely.

5 COMMISSIONER DUFFLEY: -- and update  
6 him --

7 MR. STYERS: Be glad to.

8 COMMISSIONER DUFFLEY: -- as soon as  
9 possible.

10 MR. STYERS: Certainly.

11 COMMISSIONER DUFFLEY: Well, we thank  
12 everyone. It seems like we have come to the  
13 conclusion of our evening tonight -- hopefully, you  
14 will all make it, it's 9:00, so you have an hour to  
15 make the 10:00 ferry -- and we are concluding this  
16 public witness hearing, and we are adjourned.

17 (The proceedings were adjourned)  
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C E R T I F I C A T E

I, KIM T. MITCHELL, do hereby certify that  
the Proceedings in the above-captioned matter were  
taken before me, that I did report in stenographic  
shorthand the Proceedings set forth herein, and the  
foregoing pages are a true and correct transcription  
to the best of my ability.

Kim T. Mitchell  
Kim T. Mitchell

NORTH CAROLINA UTILITIES COMMISSION